

RESORT TOWNSHIP  
EMMET COUNTY, MICHIGAN

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FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
for the year ended March 31, 2010

MASON & KAMMERMANN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
CHARLEVOIX, MICHIGAN

# Resort Township

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# **MASON & KAMMERMANN, P.C.**

*CERTIFIED PUBLIC ACCOUNTANTS*

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## **INDEPENDENT AUDITOR'S REPORT**

July 28, 2010

Members of the Township Board  
Resort Township  
Petoskey, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Resort Township of Emmet County, Michigan, as of and for the year ended March 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Resort Township as of March 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 24 through 29 be presented to supplement that basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Resort Township's basic financial statements. The schedule of tax levy and collections on page 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mason & Kammermann, P.C.*  
Mason & Kammermann, P.C.  
Certified Public Accountants

# **Resort Township**

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## **Management's Discussion & Analysis July 28, 2010**

This section of Resort Township's annual financial report presents our discussion and analysis of the financial performance of the Township during the fiscal year ended March 31, 2010.

### **Overview of the Financial Statements**

This discussion and analysis introduces the Township's basic financial statements that follow this section. These financial statements are formatted to comply with Governmental Accounting Standards Board Statement 34 (GASB 34). Resort Township's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and the notes to the financial statements. This report also contains supplementary information to the basic financial statements.

### **Government-wide Statements**

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The first statement in the report, the Statement of Net Assets, presents information on all of the Township's assets and liabilities. The excess of total assets over total liabilities is referred to as net assets. Over time, increases or decreases in net assets may provide a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Statement of Activities presents information about how the change in net assets occurred during the year. All of the Township's revenues and expenses are taken into consideration. Using the full accrual basis of accounting, amounts reported are based on revenue earned and expenses incurred, regardless of when received or paid.

### **Fund Financial Statements**

The fund financial statements provide information separated into related areas to demonstrate how resources have been allocated for specific activities or functions. Resort Township, like other governmental entities, uses fund accounting to ensure compliance with the requirements of accounting standards and laws. Resort Township uses two categories of funds, which are governmental and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

# **Resort Township**

## **Management's Discussion & Analysis July 28, 2010**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Resort Township maintains three individual governmental funds, the General Fund, Fire Fund and Public Improvement Fund. Each fund is considered a major fund and as such, information is presented separately in both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances.

The Township adopts an annual appropriated budget for each of the major funds. A budgetary comparison statement has been provided for the major funds to demonstrate compliance with this budget.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Township's own programs.

### **Financial Analysis of the Township as a Whole**

The table below summarizes the Township's net assets as of March 31, 2010 and 2009:

	2010	2009
<b>Assets</b>		
Current assets	\$ 2,111,016	\$ 2,546,193
Capital assets, net acc. depreciation	1,656,360	1,369,156
Total assets	3,767,376	3,915,349
<b>Liabilities</b>		
Accounts payable	40,977	25,760
<b>Net Assets</b>		
Invested in capital assets	1,656,360	1,369,156
Restricted	278,985	307,388
Unrestricted	1,791,054	2,213,045
Total net assets	<u>\$ 3,726,399</u>	<u>\$ 3,889,589</u>

# Resort Township

## Management's Discussion & Analysis July 28, 2010

Net assets for the Township total \$3,726,399. Net assets totaling \$278,985 are restricted for fire protection. The township has \$1,791,054 of unrestricted net assets, which could be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The following table shows how activities affected changes in net assets during the fiscal year and the prior year.

### Change in Net Assets For The Years Ended March 31, 2010 and 2009

	Governmental Activities	
	2010	2009
<b>Revenues:</b>		
Program Revenues		
Charges for services	\$ 7,548	\$ 7,739
Capital grants & contributions	64,640	513,279
General Revenues:		
Property taxes	293,248	266,423
Act 425 tax revenue	712,895	694,213
State shared revenues	159,489	186,607
Interest	17,805	33,447
Other	6,789	2,285
Total revenues	1,262,414	1,703,993
<b>Expenses:</b>		
Legislative	102,971	94,898
General government	167,311	179,597
Community & economic development	74,781	67,179
Public safety	268,892	178,600
Public works	728,705	537,566
Recreation and cultural	82,944	578,564
Total expenses	1,425,604	1,636,404
Change in net assets	\$ (163,190)	\$ 67,589

# **Resort Township**

## **Management's Discussion & Analysis July 28, 2010**

### **Revenue sources and changes**

Total revenue from all sources totaled \$1,262,414 for governmental activities. This revenue consists primarily of \$712,895 (56.5%) Act 425 tax revenue from an agreement with the City of Petoskey, \$293,248 (23.2%) from property tax collection, \$159,489 (12.6%) from state revenue sharing, and \$64,640 (5.1%) from local contributions for park improvements and public safety. The property tax millage rates were .5000 each for general operations and fire protection.

### **Expenses**

Using a full accrual basis of accounting, the Township spent \$1,425,604 on governmental activities. The expenditures were distributed 51.1% to public works, 18.9% to public safety, 11.8% to general government, 7.2% to legislative activities, 5.8% to culture and recreation, and 5.2% on community and economic development. The public works level of activity resulted primarily from \$657,531 of road improvements.

### **Financial Analysis of the Township's Funds**

At March 31, 2010, the Township's governmental funds reported a combined cash and cash equivalents balance of \$1,466,334.

In the General Fund, expenditures exceeded revenues by \$431,482, primarily due to capital expenditures for fire equipment and park improvements.

The Fire Fund had a \$28,403 decrease in its fund balance this year. This was due to generally higher operating costs, which totaled \$209,006.

The Capital Improvement Fund increased by \$9,491 resulting from interest earned on certificates of deposit. Interest income was down over 50 percent from last year due to the downward pressure on interest rates under current economic conditions.

### **General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires that the Board approve the original budget for the upcoming fiscal year prior to its starting on April 1. Prior to the close of the year, the Board must approve any amendments made to the operating budget.



# **Resort Township**

## **Management's Discussion & Analysis July 28, 2010**

The following schedule shows a comparison of the General Fund's original budget, the final amended budget and actual totals from operations:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Total Revenues	\$ 1,080,352	\$ 1,080,352	\$ 1,068,721	\$ (11,631)
Total Expenditures	<u>1,237,900</u>	<u>1,542,900</u>	<u>1,500,203</u>	<u>(42,697)</u>
Net Change in Fund Balance	<u>\$ (157,598)</u>	<u>\$ (462,548)</u>	<u>\$ (431,482)</u>	<u>\$ 31,066</u>

As additional information became known during the fiscal year, budget amendments were made to recognize the additional revenue and/or planned expenditures related to various Township programs, in the General Fund.

### **Capital Assets**

At March 31, 2010, the Township had \$1,656,360 of capital assets, net of accumulated depreciation. During the year, the Township invested \$365,145 in fire equipment, land improvements and general fund assets.

Capital assets include all purchases of assets that exceed \$1,000 and include land and land improvements, building and building improvements, equipment and furniture. The Township uses straight-line depreciation for all depreciable assets.

### **Long-Term Debt**

The Township had no outstanding long-term debt as of March 31, 2010.

### **Economic Condition and Outlook**

The unemployment rate is still high in the State of Michigan and the State's continued budget shortfalls will likely result in further reductions in state-shared revenues.

### **Requests for Information**

This financial report is designed to provide a general overview of Resort Township's finances for all those with an interest in the township's finances. If you have questions concerning this report or requests for any additional financial information, please contact Resort Township, 2232 Resort Pike Road, Petoskey, MI 49770.

# Resort Township

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## Statement of Net Assets March 31, 2010

	Governmental Activities
<b><u>Assets</u></b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,466,334
Investments	612,021
Due from other funds	3,256
Taxes receivable	22,758
Inventory - books	<u>6,647</u>
Total current assets	2,111,016
<b>Noncurrent Assets</b>	
Capital assets	2,174,226
Less: accumulated depreciation	<u>(517,866)</u>
Total noncurrent assets	<u>1,656,360</u>
Total assets	3,767,376
<b><u>Liabilities and Net Assets</u></b>	
<b>Current Liabilities</b>	
Accounts payable	<u>40,977</u>
<b>Net Assets</b>	
Invested in capital assets	1,656,360
Restricted	278,985
Unrestricted	<u>1,791,054</u>
Total net assets	<u>\$ 3,726,399</u>

The accompanying notes are a part of the financial statements.

# Resort Township

## Statement of Activities For The Year Ended March 31, 2010

		Program Revenues			Net Revenue (Expense) and Change in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total
Governmental Activities					
Legislative	\$ 102,971	\$ 3,612	\$ -	\$ -	\$ (99,359)
General government	167,311	-	-	-	(167,311)
Community and economic development	74,781	3,936	-	-	(70,845)
Public safety	268,892	-	-	33,482	(235,410)
Public works	728,705	-	-	-	(728,705)
Recreation and culture	82,944	-	-	31,158	(51,786)
Total government activities	<u>\$ 1,425,604</u>	<u>\$ 7,548</u>	<u>\$ -</u>	<u>\$ 64,640</u>	<u>(1,353,416)</u>
General Revenues:					
Taxes:					
Property taxes					293,248
Act 425 tax revenue					712,895
State shared revenues					159,489
Interest					17,805
Other					6,789
Total general revenues					<u>1,190,226</u>
<b>Change in Net Assets</b>					(163,190)
<b>Net Assets - April 1, 2009</b>					<u>3,889,589</u>
<b>Net Assets - March 31, 2010</b>					<u>\$ 3,726,399</u>

The accompanying notes are a part of the financial statements.

# Resort Township

## Governmental Funds Balance Sheet March 31, 2010

<u>Assets</u>	<u>General</u>	<u>Fire</u>	<u>Capital Improvement</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,271,460	\$ 194,874	\$ -	\$ 1,466,334
Investments	-	-	612,021	612,021
Due from other funds	6,633	100,524	175,862	283,019
Taxes receivable	11,379	11,379	-	22,758
Inventory - books	6,647	-	-	6,647
Total assets	<u>\$ 1,296,119</u>	<u>\$ 306,777</u>	<u>\$ 787,883</u>	<u>\$ 2,390,779</u>
 <b><u>Liabilities and Fund Equity</u></b>				
Liabilities:				
Accounts payable	\$ 13,185	\$ 27,792	\$ -	\$ 40,977
Due to other funds	276,386	-	3,377	279,763
Total liabilities	289,571	27,792	3,377	320,740
Fund equity:				
Undesignated and unreserved	1,006,548	-	-	1,006,548
Designated for capital improvements	-	-	784,506	784,506
Restricted for fire protection	-	278,985	-	278,985
Total fund equity	<u>1,006,548</u>	<u>278,985</u>	<u>784,506</u>	<u>2,070,039</u>
Total liabilities & fund equity	<u>\$ 1,296,119</u>	<u>\$ 306,777</u>	<u>\$ 787,883</u>	<u>\$ 2,390,779</u>

The accompanying notes are a part of the financial statements.

# **Resort Township**

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## **Governmental Funds Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets March 31, 2010**

Total Fund Equity - Governmental Funds	\$ 2,070,039
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Amounts reported for governmental activities in the Statement  
of Net Assets are different because:

Capital assets used in governmental activities are not financial  
resources and are not reported in the governmental funds  
balance sheet.

Cost of capital assets	2,174,226
Accumulated depreciation	<u>(517,866)</u>
Total Net Assets - Governmental Activities	<u>\$ 3,726,399</u>

The accompanying notes are a part of the financial statements.

# Resort Township

## Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances For The Year Ended March 31, 2010

	General	Fire	Capital Improvement	Total
<b>Revenues:</b>				
Taxes	\$ 147,000	\$ 146,248	\$ -	\$ 293,248
Act 425 tax revenue	712,895	-	-	712,895
State shared revenue	159,489	-	-	159,489
Local contributions	31,158	33,482	-	64,640
Licenses and permits	3,936	-	-	3,936
Charges for service	799	2,813	-	3,612
Interest	6,655	1,659	9,491	17,805
Other	6,789	-	-	6,789
Total revenues	1,068,721	184,202	9,491	1,262,414
<b>Expenditures:</b>				
Current:				
Legislative	102,971	-	-	102,971
General government	153,754	-	-	153,754
Community & economic development	74,781	-	-	74,781
Public safety	-	209,006	-	209,006
Public works	728,705	-	-	728,705
Recreation and culture	78,446	-	-	78,446
Capital outlay	361,546	3,599	-	365,145
Total expenditures	1,500,203	212,605	-	1,712,808
<b>Net Change in Fund Balances</b>	(431,482)	(28,403)	9,491	(450,394)
<b>Fund Balances - April 1, 2009</b>	1,438,030	307,388	775,015	2,520,433
<b>Fund Balances - March 31, 2010</b>	<u>\$ 1,006,548</u>	<u>\$ 278,985</u>	<u>\$ 784,506</u>	<u>\$ 2,070,039</u>

The accompanying notes are a part of the financial statements.

# **Resort Township**

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## **Governmental Funds Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For The Year Ended March 31, 2010**

Net Change in Fund Balances - Total Governmental Funds	\$ (450,394)
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Amounts reported for governmental activities in the statement  
of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives	365,145
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Depreciation expense is recorded in the statement of activities but not the governmental fund financial statements	(77,941)
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Changes in Net Assets - Governmental Activities	<u>\$ (163,190)</u>
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The accompanying notes are a part of the financial statements.

# **Resort Township**

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## **Fiduciary Fund Statement of Net Assets March 31, 2010**

<b>Cash</b>	<u><u>\$ 3,256</u></u>
<b>Due to Other Funds</b>	<u><u>\$ 3,256</u></u>

The accompanying notes are a part of the financial statements.



# Resort Township

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## Fiduciary Fund Statement of Changes in Net Assets For The Year Ended March 31, 2010

### Additions:

Property tax collections for primary government	\$ 251,224
Property tax collections for other governments	<u>7,791,930</u>
Total additions	8,043,154

### Deductions:

Property tax distributions to primary government	251,224
Property tax distributions to other governments	<u>7,791,930</u>
Total distributions	<u>8,043,154</u>

Change in Net Assets	-
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Fiduciary Net Assets - April 1, 2009	<u>-</u>
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Fiduciary Net Assets - March 31, 2010	<u><u>\$ -</u></u>
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The accompanying notes are a part of the financial statements.

# **Resort Township**

## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Resort Township (Township) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Resort Township.

#### **A. Reporting Entity**

The Township operates under a Board-Supervisor form of government and provides the following services: public safety (fire), public improvements, planning and zoning, and general administrative services.

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, these financial statements present the Local Unit (primary government). The criteria established by the GASB statements for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. Based on these criteria, the Township has no component units.

#### **Joint Operation**

The Resort-Bear Creek Fire Department provides fire protection services to the Township. The Fire Department is a joint venture between Bear Creek Township and Resort Township. Resort Township has a pro rata share of 30 percent of operating expenditures and 50 percent of capital expenditures. The Township does not have oversight responsibility for the Resort-Bear Creek Fire Department. The Fire Department's financial statements are blended as part of Bear Creek's financial statements and may be obtained at Bear Creek Township, 373 N. Division Rd., Petoskey, Michigan 49770

#### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

# **Resort Township**

## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue for the current fiscal period. All other revenue items are considered to be available only when the government receives cash.

# **Resort Township**

## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Included under this classification are the Capital Improvement and Fire Funds.

Agency Fund – The Agency Fund is used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### **D. Assets, Liabilities, and Net Assets or Equity**

##### **Cash and Cash Equivalents**

The Township's cash and cash equivalents are considered to be checking, savings, money market accounts and certificates of deposit with original maturities of 90 days or less from date of acquisition.

##### **Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

##### **Inventories**

Inventories are stated at cost. Inventory recorded in the General Fund consists of Resort Township history books. Disbursements for inventory-type items are recorded as expenditures in the General Fund at the time of sale.

##### **Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

# **Resort Township**

## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Equipment	5 years
Land Improvements	20 years
Building Improvements	25 years

#### **Long-term Obligations**

As of March 31, 2010, the Township has no outstanding long-term debt.

#### **Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### **Use of Estimates**

The Township used estimates and assumptions in preparing the financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.

### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **Budgets and Budgetary Accounting**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.

# **Resort Township**

## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance prior to the first of April.
4. The budget is adopted at the total fund level on a basis consistent with generally accepted accounting principles. Budget amounts are as originally adopted, or as amended by the Township Board and are approved at a public hearing prior to year end in compliance with the Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended.
5. Appropriations expire at the end of the fiscal year.

#### **Excess of Expenditures over Appropriations in Budgeted Funds**

The Resort Township's budgeted and actual expenditures for the funds budgeted have been shown on a functional basis. The Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended, (MCL 141.421 et seq.) provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

During the year, the Township incurred expenditures in the Fire Fund in excess of the amounts appropriated by \$27,295.

#### **Accumulated Fund Deficits**

The Resort Township had no funds with an accumulated fund balance/retained earnings deficit at March 31, 2010.

### **NOTE 3 – DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

# **Resort Township**

## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash in banks – At March 31, 2010, At year-end, the Township's bank balance of cash and cash equivalents totaled \$1,466,334 and included bank checking, savings and money market accounts and certificates of deposits with initial maturities of 90 days or less.

Investments – At March 31, 2010, the Township's investments consisted of certificates of deposit with initial maturities greater than 90 days totaling \$612,021.

Federal Depository Insurance – Of the above balances, \$939,109 was covered by federal depository insurance and U.S. Government guarantees. The remaining \$1,139,246 was uninsured and uncollateralized. State statutes prohibit security in the form of collateral, surety bonds or another form to be taken for the deposit of public funds. The township may experience significant fluctuations in deposit balances during the year.

### **NOTE 4 – PROPERTY TAXES**

Property taxes attach as an enforceable lien (due and payable) on property upon levy. Taxes are levied in July and December, and payable through the following February 28. The Township bills and collects its own property taxes, as well as taxes for other governmental units. Collections of the other governmental units' taxes and remittances of them to the units are accounted for in the Agency Fund. Property tax revenues are recognized when levied.

The Township is permitted by state law, subject to the State Headlee and Truth-in-Taxation provision, to levy taxes up to \$1.00 per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and unlimited amounts for payment of principal and interest on general obligation long-term debt.

The tax rates assessed are summarized as follows:

<u>PURPOSE</u>	<u>RATE/ ASSESSED VALUATION</u>
Operations:	
General governmental operations	.5000 per \$1000
Fire protection	.5000 per \$1000

# **Resort Township**

## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 5 – ACT 425 AGREEMENT**

The Township entered into a Public Act 425 agreement with the City of Petoskey in 1994. Under the terms of the agreement the Township conditionally transferred an economic development project to the City. The City will provide all municipal services to the project area, except planning and zoning which will continue to be administered by the Township. In exchange for the transfer, the City will share with the Township, tax revenues levied in the district. For the year ended March 31, 2010, the Township received \$712,895 in shared tax revenues.

### **NOTE 6 – CAPITAL ASSETS**

Capital asset activity of the primary government for the current year was as follows:

	Balance of April 1, 2009	Additions	Disposal	Balance of March 31, 2010
Capital assets not depreciated				
Land	\$ 785,234	\$ -	\$ -	\$ 785,234
Capital assets being depreciated				
Buildings	546,291	-	-	546,291
Land improvements	-	179,925	-	179,925
Equipment and furniture	487,556	185,220	(10,000)	662,776
Total capital assets being depreciated	1,053,847	365,145	(10,000)	1,388,992
Less: accumulated depreciation	(449,925)	(77,941)	10,000	(517,866)
Total capital assets	<u>\$ 1,369,156</u>	<u>\$ 269,317</u>	<u>\$ -</u>	<u>\$ 1,656,360</u>

Depreciation expense was charged to the Township's functions as follows:

General Government	\$ 13,557
Public Safety	59,886
Recreation	4,498
	<u>\$ 77,941</u>

### **NOTE 7 – RECEIVABLES AND PAYABLES**

At March 31, 2010, receivables for the primary government are as follows:

	Receivable	Payable
General Fund	\$ 6,633	\$ 276,386
Fire Fund	100,524	-
Public Improvement	175,862	3,377
Agency Fund	-	3,256
	<u>\$ 283,019</u>	<u>\$ 283,019</u>



# **Resort Township**

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## **Notes To Financial Statements For The Year Ended March 31, 2010**

### **NOTE 8 – FUND EQUITY RESERVATIONS AND DESIGNATIONS**

The Fire Fund has \$278,985 restricted for fire protection.

The Capital Improvements Fund has \$784,506 designated for public improvements and major equipment expenditures.

### **NOTE 9 – RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters.

The Township belongs to the Michigan Township Participating Plan, which currently operates as a common risk management and insurance program for various municipalities throughout the state. The Township pays an annual premium for its general insurance and workers' compensation coverage. The Plan is self-sustaining through member premiums and 100 percent reinsures through commercial companies.

# Resort Township

## Statement of Revenues, Expenditures and Changes in Fund Balances Budgetary Comparison - General Fund For The Year Ended March 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 143,729	\$ 143,729	\$ 147,000	\$ 3,271
Act 425 tax revenue	745,000	745,000	712,895	(32,105)
Local contributions	-	-	31,158	31,158
State shared revenues	183,125	183,125	159,489	(23,636)
Charges for services	25	25	799	774
Licenses and permits	3,920	3,920	3,936	16
Interest	4,500	4,500	6,655	2,155
Other	53	53	6,789	6,736
Total revenues	1,080,352	1,080,352	1,068,721	(11,631)
<b>Expenditures:</b>				
<b>Legislative</b>				
<b>Township Board</b>				
Salaries			13,774	
Fees and per diem			4,199	
Office supplies			1,980	
Printing and postage			2,102	
Professional services			50,117	
Dues and subscriptions			7,785	
Legal notices			1,168	
Education and training			2,238	
Insurance			14,509	
Other expenses			5,099	
Total legislative	82,000	107,000	102,971	(4,029)
<b>General Government</b>				
<b>Township Supervisor</b>				
Salaries and wages			20,902	
Clerical			439	
Supplies			1,256	
Other expenses			78	
Total township supervisor	21,000	23,000	22,675	(325)

# **Resort Township**

## **Statement of Revenues, Expenditures and Changes in Fund Balances Budgetary Comparison - General Fund For The Year Ended March 31, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Elections</b>				
Wages and fees			1,207	
Supplies			463	
Education and training			520	
Other expenses			137	
Total elections	3,000	4,500	2,327	(2,173)
<b>Township Assessor</b>				
Salaries and wages			33,585	
Supplies			1,476	
Printing and postage			1,330	
Education and training			687	
Other expenses			2,525	
Total township assessor	27,000	40,600	39,603	(997)
<b>Township Clerk</b>				
Salary, clerk			24,613	
Wages, deputy clerk			1,806	
Supplies			1,776	
Other expenses			1,617	
Total township clerk	30,000	30,000	29,812	(188)
<b>Township Board of Review</b>				
Fees and per diem			2,432	
Legal notices			521	
Education and training			721	
Other expenses			279	
Total board of review	3,500	8,500	3,953	(4,547)
<b>Township Treasurer</b>				
Salary, treasurer			22,008	
Wages, deputy treasurer			365	
Supplies			1,202	
Printing and postage			5,332	
Contracted services			283	
Education and training			185	
Other expenses			880	
Total township treasurer	35,000	35,000	30,255	(4,745)

# Resort Township

## Statement of Revenues, Expenditures and Changes in Fund Balances Budgetary Comparison - General Fund For The Year Ended March 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Building and Grounds</b>				
Wages			2,700	
Supplies			1,364	
Professional services			5,452	
Contracted services			5,342	
Utilities			7,500	
Equipment and repair			2,771	
Total building & grounds	50,000	50,000	25,129	(24,871)
<b>Total General Government</b>	169,500	191,600	153,754	(37,846)
<b>Community &amp; Economic Development</b>				
<b>Planning &amp; Zoning</b>				
Salaries and wages			29,584	
Fees and per diem			10,012	
Supplies			1,159	
Legal notices			320	
Contracted services			26,623	
Professional services			700	
Education and training			6,036	
Other expenses			347	
Total community & economic development	63,000	74,400	74,781	381
<b>Public Works</b>				
Fees and per diem			4,754	
Street lighting			2,690	
Road improvements			657,531	
Spring cleanup			17,759	
Recycle program			44,945	
Other expenses			1,026	
Total public works	667,400	724,300	728,705	4,405

# Resort Township

## Statement of Revenues, Expenditures and Changes in Fund Balances Budgetary Comparison - General Fund For The Year Ended March 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Recreation and Culture</b>				
Recreation program			26,236	
Library			9,855	
Township parks:				
Contracted services			20,737	
Professional services			12,399	
Utilities			3,641	
Other expenses			5,578	
Total recreation and culture	131,000	264,600	78,446	(186,154)
<b>Capital Outlay</b>	125,000	181,000	361,546	180,546
Total expenditures	1,237,900	1,542,900	1,500,203	(42,697)
<b>Net Change in Fund Balance</b>	(157,548)	(462,548)	(431,482)	31,066
<b>Fund Balance - April 1, 2009</b>	1,438,030	1,438,030	1,438,030	-
<b>Fund Balance - March 31, 2010</b>	<u>\$ 1,280,482</u>	<u>\$ 975,482</u>	<u>\$ 1,006,548</u>	<u>\$ 31,066</u>

# Resort Township

## Statement of Revenues, Expenditures and Changes in Fund Balances Budgetary Comparison - Fire Fund For The Year Ended March 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Revenues:</b>				
Property taxes	\$ 138,000	\$ 138,000	\$ 146,248	\$ 8,248
Local contributions	60,000	60,000	33,482	(26,518)
Interest income	1,800	1,800	1,659	(141)
Other income	2,500	2,500	2,813	313
Total revenues	202,300	202,300	184,202	(18,098)
<b>Expenditures:</b>				
<b>Public Safety</b>				
Operating expenses	137,310	185,310	209,006	23,696
<b>Capital Outlay</b>	-	-	3,599	3,599
Total expenditures	137,310	185,310	212,605	27,295
<b>Net Change in Fund Balance</b>	690	(47,310)	(28,403)	(45,393)
<b>Fund Balance - April 1, 2009</b>	307,388	307,388	307,388	-
<b>Fund Balance - March 31, 2010</b>	<u>\$ 308,078</u>	<u>\$ 260,078</u>	<u>\$ 278,985</u>	<u>\$ 18,907</u>

# Resort Township

## Statement of Revenues, Expenditures and Changes in Fund Balances Budgetary Comparison - Public Improvements Fund For The Year Ended March 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Revenues:</b>				
Interest income	\$ 10,000	\$ 10,000	\$ 9,491	\$ (509)
<b>Transfer in</b>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
<b>Net Change in Fund Balance</b>	210,000	210,000	9,491	(200,509)
<b>Fund Balance - April 1, 2009</b>	<u>775,015</u>	<u>775,015</u>	<u>775,015</u>	<u>-</u>
<b>Fund Balance - March 31, 2010</b>	<u><u>\$ 785,015</u></u>	<u><u>\$ 985,015</u></u>	<u><u>\$ 784,506</u></u>	<u><u>\$ (200,509)</u></u>

# Resort Township

## Schedule of Tax Levy and Collections March 31, 2010

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
Emmet County:				
Operational	4.8500	\$ 1,393,843	\$ 1,314,981	\$ 78,862
Senior Citizens	0.4990	143,394	132,038	11,356
Medical Care Facility	0.4792	137,703	126,798	10,905
EMS	0.2500	71,837	66,148	5,689
Petoskey Public Schools	21.0693	3,594,318	3,241,007	353,311
Char-Emmet Intermediate School District	2.7781	798,367	735,143	63,224
North Central Michigan College	2.3770	683,077	628,984	54,093
Greenwood Cemetery	0.4700	135,060	124,364	10,696
SET	6.0000	1,692,923	1,595,360	97,563
Township:				
General	0.5000	143,683	132,305	11,378
Fire Fund	0.5000	143,683	132,305	11,378
Total	<u>39.7726</u>	<u>\$ 8,937,888</u>	<u>\$ 8,229,433</u>	<u>\$ 708,455</u>
Percent of Levy Collected	<u>92.07%</u>			



# **MASON & KAMMERMANN, P.C.**

*CERTIFIED PUBLIC ACCOUNTANTS*

**HUGH E. MASON**  
**VELDA K. KAMMERMANN**

*110 Park Avenue  
Charlevoix, Michigan 49720  
Telephone (231) 547-4911  
Facsimile (231) 547-5911*

July 28, 2010

To the Board of Trustees  
Resort Township  
Petoskey, Michigan

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Resort Township as of and for the year ended March 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Resort Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the Township's internal control to be material weaknesses:

## **Recordkeeping**

The Uniform Budgeting and Accounting Act requires that the accounting records be maintained using the Uniform Chart of Accounts. While used by the Treasurer for revenue and expenditures, the Clerk uses the system for expenditures only. Revenues are recorded by the Clerk in one account rather than in separate accounts based on the category of revenue. The balance sheet accounts, assets and liabilities, are not used by either the Treasurer or the Clerk. The Uniform Chart of Accounts is a system used to properly classify the transactions of the Township in accordance with the nature of the transaction and the fund to which it relates.

In addition, the Treasurer and the Clerk do not reconcile their accounts with each other during the year as prescribed by the Accounting Procedures Manual issued by the State of Michigan. The reconciliation process is a procedure prescribed to provide a check and balance and to help control the accuracy of banking information and the overall information used by management and residents to make judgments and decisions about Township financial activities. We recommend that the Township adopt the Uniform Chart of Accounts throughout the Township record keeping systems. Further, we recommend both the Treasurer and the Clerk use the system to record all their transactions; and as recorded, reconciling their accounting information at least monthly.

## **Budget**

Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of amounts appropriated. During the year ended March 31, 2010, the Township incurred expenditures that exceeded amounts appropriated for the Fire Fund, as shown in the body of the financial statements.

On a periodic basis, we suggest the Board review appropriations as compared to actual expenditures and amend the budget as necessary.

## **Segregation of Duties**

A properly designed system of internal control segregates the accounting responsibilities from employees who have access to physical assets such as cash, investments and payroll, authorization and approval of transactions and account reconciliations. The small size of the administrative staff precludes a complete segregation of duties resulting in more than a remote risk that material misstatements could occur and not be detected during normal activities.

## **Preparation of Financial Statements**

During the course of our audit, it was noted employees and/or management have limited technical expertise to prepare the Township's financial statements and notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of the Township's financial statements and notes in accordance with accounting principles generally accepted in the United States of America is the responsibility of management. Management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to the financial statements, in conformance with accounting principles generally accepted in the United States of America.

The Township, as is common with smaller and medium-sized entities, has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the Township's ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the government's internal controls.

The result of this condition is that the Township lacks internal controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and instead relies, in part, on its external auditors for assistance with this task.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Mason & Kammermann, P.C." in a cursive script.

Mason & Kammermann, P.C.  
Certified Public Accountants

# **MASON & KAMMERMANN, P.C.**

*CERTIFIED PUBLIC ACCOUNTANTS*

**HUGH E. MASON**  
**VELDA K. KAMMERMANN**

110 Park Avenue  
Charlevoix, Michigan 49720  
Telephone (231) 547-4911  
Facsimile (231) 547-5911

July 28, 2010

To the Board of Trustees  
Resort Township  
Petoskey, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Resort Township for the year ended March 31, 2010, and issued our report thereon dated July 28, 2010. Professional standards require that we communicate to you the following information related to our audit.

## **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated May 12, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

## **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Resort Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of our audit procedures and corrected by management are summarized on the attached schedule.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated July 28, 2010.

### **Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of Resort Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Mason & Kammermann, P.C.*

Mason & Kammermann, P.C.  
Certified Public Accountants

# RESORT TOWNSHIP CLERK 2009-10

## Journal

March 31, 2010

Number	Account	Debit	Credit
<b>Entries for 3/31/09:</b>			
	-1-		
	Huntington - General Account	922,869.23	
	Northwestern - General Account	60,782.70	
	General Fund - Other	317,757.15	
	Chase Bank - Fire Account	335,293.72	
	First Community Bank - CD	214,567.54	
	Chase Bank - CD	44,497.44	
	Chase Bank - CD	39,351.00	
	Chase Bank - CD	57,805.74	
	National City Bank - CD	42,685.33	
	Huntington Bank - Land Preservation - CD	200,246.00	
	General Fund - CD	175,862.17	
	Agency Account	58.44	
	Taxes Receivable - Fire Fund	8,789.00	
	Taxes Receivable - General Fund	8,789.00	
	Due from Other Funds	40,832.54	
	General Fixed Assets	436,046.44	
	Reserved for Inventory	75.00	
	Reserved for Fire Safety	242,497.21	
	Fund balance - Public Improvement Fund	61,262.67	
	Undesignated General Fund Balance	332,014.95	
040.401.402	Current Property Taxes	7,571.00	
040.401.402	Current Property Taxes	8,834.58	
	Due to Other Funds		39,731.00
	Fifth Third Bank - General		213,482.66
	First Community Bank - Fire Account		60,776.76
	Public Improvement - CD		520,082.63
	Inventory - books		75.00
	Taxes Receivable - Fire Fund		7,571.00
	Taxes Receivable - General Fund		8,834.58
	Accumulated Depreciation		115,414.92
	Due to Other Funds		58.44
	Investment in Fixed Assets		320,631.52
	Reserved for Fire Safety		274,516.96
	Fund balance - Public Improvement Fund		317,757.15
	Fund Balance - General Fund		1,655,322.92
040.401.402	Current Property Taxes		8,789.00
040.401.402	Current Property Taxes		8,789.00
664.000.000	Interest Revenue		6,655.31

To adjust year end balances at 3/31/09.

### Entries for 3/31/10:

-2-

	Accounts Payable	25,620.47	
440.400.802	Contracted Services		1,665.00
440.430.950	Recycle Program		3,867.22
100.101.901	Legal Notices		941.90
170.265.801	Professional Services		2,161.50
100.101.804	Attorney Fees		4,396.85
750.756.801	Professional Services		4,502.50
100.101.801	Professional Services		7,834.50
440.400.901	Legal Notices		152.30
440.410.901	Legal Notices		98.70

To reverse 2009 accounts payable.

# RESORT TOWNSHIP CLERK 2009-10

## Journal

March 31, 2010

-3-

300.336.802	Contracted Services	27,791.63	
	Accounts Payable		27,791.63

To record accounts payable for the Fire Fund.

-4-

440.447.802	Contracted Services	9,396.12	
440.400.802	Contracted Services	1,312.50	
750.751.802	Contracted Services	481.25	
100.101.804.005	B.H. Tax Litigation	198.00	
100.101.804	Attorney Fees	1,797.12	
	Accounts Payable		13,184.99

To record accounts payable for the General Fund.

-5-

	Uncategorized Income	1,100,000.00	
	Northwestern - General Account	83,773.49	
	Huntington - General Account		1,100,000.00
	Uncategorized Expenses		83,773.49

To adjust transfer entries during the year.

-6-

	Agency Fund Account	2,922.28	
	Due to Other Funds		2,576.18
040.401.412	Delinquent Tax		346.10

To adjust Current Tax Collection Fund.

-7-

	Due from Other Funds	2,576.18	
664.000.000	Interest Revenue		2,576.18

To record amounts due from Current Tax Collection Fund.

-8-

	First Community Bank - Fire Account	44,967.50	
	Uncategorized Income	132,477.58	
	Due to Other Funds	5,968.83	
	Taxes Receivable - Fire Account	2,590.00	
	Chase Bank - Fire Account		3,378.83
	Local Revenue Sharing		33,482.32
040.401.402	Current Property Taxes		146,247.58
600.000.000	Charges for Services		2,812.50
664.000.000	Interest Revenue		82.68

To adjust Fire Fund accounts.



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	First Community Bank - CD	3,484.16	
	National City Bank - CD	629.20	
	Huntington Bank - Land Preservation - CD	4,614.00	
	Bank of Northern Michigan - CD	145,794.38	
	Chase Bank - CD		141,654.18
	Due to Other Funds		3,376.83
664.000.000	Interest Revenue		9,490.73

To record interest and adjust balances on CD's.

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	Northwestern - General	706,766.02	
	Huntington - General	177,601.93	
	Taxes Receivable - GF	2,590.00	
	Uncategorized Income	1,026,027.23	
	Fifth Third Bank - General		382,277.57
	General Fund - Other		291,686.49
	General Fund - CD		175,862.17
	Local Revenue Sharing		31,158.34
040.401.402	Current Property Taxes		146,378.37
040.443.000	Mobile Park		275.50
664.000.000	Interest Revenue		1,439.12
451.000.000	Licenses and Permits		3,936.00
539.000.000	State Grants		159,489.11
580.000.000	ACT 425		712,895.00
600.000.000	Charges for Services		799.00
671.000.000	Other Revenue		6,788.51

To adjust General Fund accounts.

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	Due from General Fund	155,207.51	
	Due to Fire Fund		155,207.51

To record fire truck purchase funds due to the Fire Fund.

-12-

900.000.970	Capital Outlay	189,307.45	
300.336.977	Fire Equipment		3,598.25
170.191.726	Supplies		2,080.47
750.756.802	Contracted Services		114,024.18
170.253.977	Equipment		1,808.94
750.756.977	Equipment		22,524.80
750.756.801	Professional Services		45,270.81

To reclassify fixed assets

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100.101.801	Professional Services	4,100.35	
170.265.931	Equipment Repair & Maintenance	870.00	
900.000.970	Capital Outlay		4,970.35

To reclassify non-capital costs.

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Depreciation Expense	88,979.00	
Accumulated Depreciation		88,979.00

To record depreciation expense for the year.

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General Fixed Assets	355,144.58	
Accumulated Depreciation	10,000.00	
Investment in Fixed Assets		287,203.58
Fund Balance - General Fund		77,941.00

To adjust fixed assets.